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7

8 **BEFORE THE**  
9 **MEDICAL BOARD OF CALIFORNIA**  
10 **DEPARTMENT OF CONSUMER AFFAIRS**  
11 **STATE OF CALIFORNIA**

12 In the Matter of the Automatic Suspension of  
Physician's and Surgeon's Certificate Against:

13 **JEFFREY DAVID GROSS, M.D.**  
14 **4700 Von Karman Ave., Suite 1000**  
**Newport Beach, CA 92660-2194**

15 **Physician's and Surgeon's Certificate**  
16 **No. G 79394,**

17 Respondent.

Case No. 800-2018-045045

**NOTICE OF AUTOMATIC  
SUSPENSION OF LICENSE**

[Bus. & Prof. Code, § 2236.1]

18  
19 TO: RESPONDENT JEFFREY DAVID GROSS, M.D.:

20 **YOU ARE HEREBY NOTIFIED THAT** the Medical Board of California (Board) has  
21 automatically suspended your Physician's and Surgeon's Certificate No. G 79394 by operation of  
22 law after having received and reviewed a certified copy of the record of conviction described  
23 below:

24 1. The Board received notice of Respondent Jeffrey David Gross, M.D.'s  
25 (Respondent's) conviction and sentencing in *United States of America v. Jeffrey David Gross*,  
26 United States District Court, Central District of California (USDC-CDC), Case No. SA CR 18-  
27 00014-CJC. These documents establish that on August 7, 2020, Respondent pleaded guilty to  
28 Count 1, 18 U.S.C. 371 (Conspiracy), a felony.

2. On May 21, 2021, Respondent was sentenced to fifteen (15) months in prison at United States Penitentiary (USP), in Lompoc, California.

3. Respondent is currently incarcerated at RRM (Residential Reentry Management) in Phoenix, Arizona. His mailing address at the correctional facility is Jeffrey David Gross, Inmate No. 76484-112, RRM Phoenix, Residential Reentry Office, 230 North First Avenue, Suite 405, Phoenix, Arizona 85003.

4. The following documents support these findings, and are attached and incorporated herein by reference:

Attachment A: Certified Copy of Indictment;

Attachment B: Certified Copy of Judgment.

#### **INCARCERATION: AUTOMATIC SUSPENSION**

5. Business and Professions Code section 2236.1 states:

(a) A physician and surgeon's certificate shall be suspended automatically during any time that the holder of the certificate is incarcerated after conviction of a felony, regardless of whether the conviction has been appealed. The Division of Medical Quality shall, immediately upon receipt of the certified copy of the record of conviction, determine whether the certificate of the physician and surgeon has been automatically suspended by virtue of his or her incarceration, and if so, the duration of that suspension. The division shall notify the physician and surgeon of the license suspension and of his or her right to elect to have the issue of penalty heard as provided in this section.

(b) Upon receipt of the certified copy of the record of conviction, if after a hearing it is determined therefrom that the felony of which the licensee was convicted was substantially related to the qualifications, functions, or duties of a physician and surgeon, the Division of Medical Quality shall suspend the license until the time for appeal has elapsed, if no appeal has been taken, or until the judgment of conviction has been affirmed on appeal or has otherwise become final, and until further order of the division. The issue of substantial relationship shall be heard by and administrative law judge from the Medical Quality Hearing Panel sitting alone or with a panel of the division, in the discretion of the division.

(c) Notwithstanding subdivision (b), a conviction of any crime referred to in Section 2237, or a conviction of Section 187, 261, 262 or 288 of the Penal Code, shall be conclusively presumed to be substantially related to the qualifications, functions, or duties of a physician and surgeon and no hearing shall be held on this issue. Upon its own motion or for good cause shown, the division may decline to impose or may set aside the suspension when it appears to be in the interest of justice to do so, with due regard to maintaining the integrity of and confidence in the medical profession.

(d) (1) Discipline may be ordered in accordance with Section 2227, or the Division of Licensing may order the denial of the license when the time for appeal has elapsed, the judgment of conviction has been affirmed on appeal, or an order

1 granting probation is made suspending the imposition of sentence, irrespective of a  
2 subsequent order under Section 1203.4 of the Penal Code allowing the person to  
withdraw his or her plea of guilty and to enter a plea of not guilty, setting aside the  
verdict of guilty, or dismissing the accusation, complaint, information, or indictment.

3 (2) The issue of penalty shall be heard by an administrative law judge from the  
4 Medical Quality Hearing Panel sitting alone or with a panel of the division, in the  
discretion of the division. The hearing shall not be had until the judgment of  
5 conviction has become final or, irrespective of a subsequent order under Section  
1203.4 of the Penal Code, an order granting probation has been made suspending the  
6 imposition of sentence; except that a licensee may, at his or her option, elect to have  
the issue of penalty decided before those time periods have elapsed. Where the  
7 licensee so elects, the issue of penalty shall be heard in the manner described in this  
section at the hearing to determine whether the conviction was substantially related to  
8 the qualifications, functions, or duties of a physician and surgeon. If the conviction  
of a licensee who has made this election is overturned on appeal, any discipline  
9 ordered pursuant to this section shall automatically cease. Nothing in this subdivision  
shall prohibit the division from pursuing disciplinary action based on any cause other  
10 than the overturned conviction.

11 (e) The record of the proceedings resulting in the conviction, including a  
transcript of the testimony therein, may be received in evidence.

12 (f) The other provisions of this article setting forth a procedure for the  
13 suspension or revocation of a physician and surgeon's certificate shall not apply to  
proceedings conducted pursuant to this section."

14  
15 **WHEREFORE, THE MEDICAL BOARD OF CALIFORNIA, DEPARTMENT**  
16 **OF CONSUMER AFFAIRS, HEREBY NOTIFIES YOU THAT**, by virtue of said conviction  
17 and incarceration, Physician's and Surgeon's Certificate No. G 79394, issued to Jeffrey David  
18 Gross, M.D., was automatically suspended by operation law, effective May 21, 2021, pursuant to  
19 Business and Professions Code section 2236.1, subdivision (a).

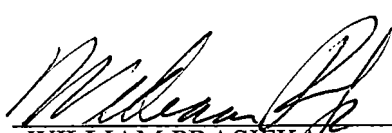
20 Said suspension shall remain in effect while Respondent is incarcerated, and shall continue  
21 thereafter until a hearing may be held pursuant to Business and Professions Code section 2236.1,  
22 subdivision (a) and (d)(2), or until further order of the Board.

23 Jeffrey David Gross, M.D. must cause to be delivered to the Board both his wall and pocket  
24 license certificate within 15 days from the date of the service of this Order.

25 **YOU ARE FURTHER NOTIFIED THAT** you have a right to a hearing on the  
26 issue of penalty, as provided by Business and Professions Code section 2236.1, subdivisions (a)  
27 and (d)(2), as set forth above. A request for penalty hearing may be made by delivering or  
28 ///

1 mailing such a request to: Tan N. Tran, Deputy Attorney General, Office of the Attorney  
2 General, 300 South Spring Street, Suite 1702, Los Angeles, California 90013-1233.

3  
4 DATED: APR 28 2022

  
5 WILLIAM PRASIFKA  
6 Executive Director  
7 Medical Board of California  
8 Department of Consumer Affairs  
9 State of California  
10 *Complainant*

## **Attachment A**

FILED

2017 JAN 23 PM 2:55

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2017 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

JEFFREY DAVID GROSS,

Defendant.

SA CR No. 18-00014-CTC

I N D I C T M E N T

[18 U.S.C. § 371: Conspiracy;  
18 U.S.C. §§ 1341, 1346: Mail  
Fraud Involving Deprivation of  
Honest Services; 18 U.S.C.  
§§ 1343, 1346: Wire Fraud  
Involving Deprivation of Honest  
Services; 18 U.S.C. § 1952(a)(3):  
Use of an Interstate Facility in  
Aid of Unlawful Activity; 18  
U.S.C. § 2: Aiding and Abetting  
and Causing an Act to be Done; 18  
U.S.C. §§ 981(a)(1)(C) and 28  
U.S.C. § 2461(c): Criminal  
Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. Healthsmart Pacific Inc., doing business as Pacific  
Hospital of Long Beach ("Pacific Hospital"), was a hospital located  
in Long Beach, California, specializing in surgeries, particularly

1 spinal and orthopedic surgeries. From at least in or around 1997 to  
2 October 2013, Pacific Hospital was owned and/or operated by Michael  
3 D. Drobot ("Drobot"). Along with Drobot, Pacific Hospital Owner B  
4 ("UCC-A") owned and/or operated Pacific Hospital from in or around  
5 2005 to in or around October 2010.

6 2. Defendant JEFFREY DAVID GROSS ("defendant GROSS") was a  
7 neurosurgeon affiliated with Oasis Medical Providers, Inc. ("Oasis  
8 Medical") and Oasis Wellness Center ("Oasis Wellness") in Newport  
9 Beach, Laguna Niguel, and Coto de Caza, California.

10 3. Jeffrey D. Gross, M.D., Inc. was a California professional  
11 corporation owned and operated by defendant GROSS.

12 4. Paul Randall ("Randall") was a "marketer" who did business  
13 with Pacific Hospital and various other entities and individuals and  
14 who facilitated defendant GROSS's relationship with Pacific Hospital.

15 5. International Implants LLC ("I2") was a limited liability  
16 company, controlled by Drobot and headquartered in Newport Beach,  
17 California, that purchased implantable medical devices, hardware, and  
18 instrumentation for spinal surgeries ("spinal hardware") from  
19 original manufacturers and sold them to hospitals, particularly  
20 Pacific Hospital.

21 6. Pacific Specialty Physician Management, Inc. ("PSPM") was a  
22 corporation, owned and controlled by Drobot and others and  
23 headquartered in Newport Beach, California, that provided  
24 administrative and management services for physicians' offices.

25 7. James Canedo ("Canedo") was Pacific Hospital's Chief  
26 Financial Officer ("CFO").

1 8. PSPM Executive A ("UCC-B") was an executive at PSPM who  
2 communicated with defendant GROSS about his surgeries performed at  
3 Pacific Hospital.

4 9. Pacific Hospital Employee A ("UCC-C") was Pacific  
5 Hospital's controller and would issue payment to vendors and other  
6 payees at the direction of Drobot, Canedo, and other Pacific Hospital  
7 employees.

8 10. Pacific Hospital Employee B ("UCC-D") was a paralegal and  
9 risk manager for Pacific Hospital, PSPM, I2, and other Pacific  
10 Hospital-affiliated entities (collectively, "Pacific Hospital and  
11 Affiliated Entities").

12 11. Pacific Hospital Employee C ("UCC-E") performed various  
13 executive and tax functions supporting Pacific Hospital, PSPM and  
14 other Pacific Hospital-affiliated entities.

15 12. Pacific Hospital Employee D ("UCC-F") was the Chief  
16 Financial Officer of PSPM.

17 13. Pacific Hospital Employee E ("UCC-G") was an attorney who  
18 served as the General Counsel and Chief Compliance Officer of Pacific  
19 Hospital.

20 14. PSPM Employee A ("UCC-H") was a manager and executive at  
21 PSPM.

22 California Workers' Compensation System ("CWCS")

23 15. The California Workers' Compensation System ("CWCS") was a  
24 system created by California law to provide insurance covering  
25 treatment of injury or illness suffered by individuals in the course  
26 of their employment. Under the CWCS, employers were required to  
27 purchase workers' compensation insurance policies from insurance  
28 carriers to cover their employees. When an employee suffered a



1 covered injury or illness and received medical services, the medical  
2 service provider submitted a claim for payment to the relevant  
3 insurance carrier, which then paid the claim. Claims were submitted  
4 to and paid by insurance carriers either by mail or electronically.  
5 The CWCS was governed by various California laws and regulations.

6 16. The California State Compensation Insurance Fund ("SCIF")  
7 was a non-profit insurance carrier, created by the California  
8 Legislature, that provided workers' compensation insurance to  
9 employees in California, including serving as the "insurer of last  
10 resort" under the CWCS system for employers without any other  
11 coverage.

12 Health Care Programs

13 17. SCIF and other workers' compensation insurance carriers,  
14 personal injury insurers, and other public and private plans and  
15 contracts, were "health care benefit programs" (as defined in 18  
16 U.S.C. § 24(b)), that affected commerce.

17 Relevant California Laws Pertaining to Bribery and Kickbacks

18 18. California law, including but not limited to the California  
19 Business and Professions Code, the California Insurance Code, and the  
20 California Labor Code, prohibited the offering, delivering,  
21 soliciting, or receiving of anything of value in return for referring  
22 a patient for medical services.

23 19. California Business & Professions Code Section 650  
24 prohibited the offer, delivery, receipt, or acceptance by certain  
25 licensees -- specifically including physicians -- of any commission  
26 or other consideration, whether in the form of money or otherwise, as  
27 compensation or inducement for referring patients, clients, or  
28 customers to any person.

1        20. California Insurance Code Section 750(a) prohibited anyone  
2 who engaged in the practice of processing, presenting, or negotiating  
3 claims -- including claims under policies of insurance -- from  
4 offering, delivering, receiving, or accepting any commission or other  
5 consideration, whether in the form of money or otherwise, as  
6 compensation or inducement to any person for the referral or  
7 procurement of clients, cases, patients, or customers.

8        Fiduciary Duties and the Physician-Patient Relationship

9        21. A "fiduciary" obligation generally existed whenever one  
10 person -- a client -- placed special trust and confidence in another  
11 -- the fiduciary -- in reliance that the fiduciary would exercise his  
12 or her discretion and expertise with the utmost honesty and  
13 forthrightness in the interests of the client, such that the client  
14 could relax the care and vigilance she or he would ordinarily  
15 exercise, and the fiduciary knowingly accepted that special trust and  
16 confidence and thereafter undertook to act on behalf of the client  
17 based on such reliance.

18        22. Physicians owed a fiduciary duty to their patients,  
19 requiring physicians to act in the best interest of their patients,  
20 and not for their own professional, pecuniary, or personal gain.  
21 Physicians owed a duty of honest services to their patients for  
22 decisions made relating to the medical care of those patients,  
23 including the informed choice of whether to undergo surgery and other  
24 medical procedures, as well as the selection of a provider and  
25 facility for such surgeries and procedures. Patients' right to  
26 honest services from physicians included the right not to have  
27 physician-fiduciaries solicit or accept bribes and kickbacks  
28 connected to the medical care of such patients.

1 B. OBJECTS OF THE CONSPIRACY

2 23. Beginning on an unknown date, but no later than in or about  
3 February 2008, and continuing through at least in or around June  
4 2013, in Orange and Los Angeles Counties, within the Central District  
5 of California, and elsewhere, Drobot, defendant GROSS, UCC-A, UCC-B,  
6 Canedo, and others known and unknown to the Grand Jury at various  
7 times, knowingly combined, conspired, and agreed to commit the  
8 following offenses against the United States: Honest services mail  
9 fraud, in violation of Title 18, United States Code, Sections 1341  
10 and 1346; Honest services wire fraud, in violation of Title 18,  
11 United States Code, Sections 1343 and 1346; and Use of an interstate  
12 facility in aid of bribery, in violation of Title 18, United States  
13 Code, Section 1952(a).

14 C. MANNER AND MEANS OF THE CONSPIRACY

15 24. The objects of the conspiracy were to be carried out, and  
16 were carried out, in the following ways, among others:

17 a. Drobot, UCC-A, UCC-B, and other co-conspirators  
18 working with Pacific Hospital and Affiliated Entities would offer to  
19 pay and cause the payment of kickbacks to defendant GROSS and other  
20 surgeons (the "Pacific Induced Surgeons"), chiropractors, personal  
21 injury attorneys, marketers, and others (collectively, the "Pacific  
22 Kickback Recipients") in exchange for patient-related referrals to  
23 Pacific Hospital and Affiliated Entities for spinal surgeries, other  
24 types of surgeries, magnetic resonance imaging ("MRI"), toxicology,  
25 durable medical equipment, and other services (the "Kickback Tainted  
26 Surgeries and Services") that would be billed to health care benefit  
27 programs or subject to personal injury claims and/or liens.

1           b. Influenced by the promise of kickbacks, Pacific  
2 Kickback Recipients, including defendant GROSS, would cause patients  
3 insured by various health care benefit programs, or subject to  
4 personal injury claims and/or liens, to have Kickback Tainted  
5 Surgeries and Services at Pacific Hospital and Affiliated Entities.

6           c. Pacific Hospital and Affiliated Entities and Pacific  
7 Induced Surgeons, including defendant GROSS, would submit claims, by  
8 mail and electronically, to health care benefit programs and personal  
9 injury law firms or attorneys (collectively, "Potential Claim  
10 Payers") for payments related to the Kickback Tainted Surgeries and  
11 Services.

12           d. As Drobot, defendant GROSS, Canedo, UCC-A, UCC-B, and  
13 other co-conspirators knew and intended, and as was reasonably  
14 foreseeable to them, in using the mails, wire communications, and  
15 facilities in interstate commerce to: (i) communicate about patient  
16 referrals and underlying kickback arrangements, (ii) submit claims to  
17 Potential Claim Payers for the Kickback Tainted Surgeries and  
18 Services, and (iii) obtain payment from Potential Claim Payers for  
19 the Kickback Tainted Surgeries and Services, Drobot, defendant GROSS,  
20 UCC-A, UCC-B, Canedo, and other co-conspirators would solicit, offer,  
21 receive, or pay, and/or cause the solicitation, offering, receipt,  
22 and payment of kickbacks that were material to patients and Potential  
23 Claim Payers.

24           e. In soliciting and receiving concealed bribes and  
25 kickbacks to induce the referral of patients and corresponding  
26 ancillary services to Pacific Hospital and Affiliated Entities,  
27 defendant GROSS and other medical professionals would deprive  
28 patients of their right to honest services.

1 f. Using the mails and other facilities in interstate  
2 commerce, Drobot, UCC-A, UCC-B, Canedo, and others would communicate  
3 about and pay, and cause the payment of, kickbacks to Pacific  
4 Kickback Recipients, including defendant GROSS, who referred and  
5 caused the referral of Kickback Tainted Surgeries and Services to  
6 Pacific Hospital and Affiliated Entities.

7 g. Potential Claim Payers would pay Pacific Hospital and  
8 Affiliated Entities and Pacific Induced Surgeons, including defendant  
9 GROSS, for the Kickback Tainted Surgeries and Services by mail and  
10 electronically.

11 h. To conceal and disguise the kickback payments from  
12 Potential Claim Payers, patients, and law enforcement, Drobot, UCC-A,  
13 UCC-B, Canedo, and other co-conspirators, through Pacific Hospital  
14 and Affiliated Entities, would enter into arrangements with Pacific  
15 Kickback Recipients, including defendant GROSS. In many cases, these  
16 arrangements would be reduced to written contracts, including, among  
17 others, lease and rental agreements, option agreements, collection  
18 agreements, management agreements, marketing agreements, and pharmacy  
19 agreements.

20 i. The written contracts would not specify that one  
21 purpose for the agreements would be to induce Pacific Kickback  
22 Recipients to refer Kickback Tainted Surgeries and Services to  
23 Pacific Hospital and Affiliated Entities. Additionally, the value or  
24 consideration discussed as part of these arrangements would, in fact,  
25 generally not be provided or desired; rather, the compensation would  
26 be paid, entirely or in part, depending on the arrangement, to cause  
27 Pacific Kickback Recipients to refer Kickback Tainted Surgeries and  
28 Services to Pacific Hospital and Affiliated Entities. Relatedly, the

1 written contracts would generally allow for remuneration to Pacific  
2 Kickback Recipients far in excess of any reasonable fair market value  
3 assessment of legitimate services or things of value purportedly  
4 contracted for -- to the extent calculated without regard to the  
5 value of the Kickback Tainted Surgeries and Services.

6 j. Defendant GROSS would receive remuneration in exchange  
7 for performing Kickback Tainted Surgeries and Services at Pacific  
8 Hospital and Affiliated Entities. The illegal kickback and bribe  
9 payments would be provided to defendant GROSS under the guise of  
10 bogus contracts, including a sublease agreement, an option agreement,  
11 and an "Outsourced Collection Agreement."

12 k. Drobot, Canedo, UCC-A, UCC-B, and others would  
13 maintain, review, and/or communicate about records of the number of  
14 Kickback Tainted Surgeries and Services performed at Pacific Hospital  
15 and Affiliated Entities due to referrals from defendant GROSS and  
16 other Pacific Kickback Recipients, as well as the amounts owed and  
17 paid to defendant GROSS and other Pacific Kickback Recipients for  
18 such referrals.

19 D. EFFECTS OF THE CONSPIRACY

20 25. Had Potential Claim Payers and patients known the true  
21 facts regarding the payment of kickbacks for the referral of Kickback  
22 Tainted Surgeries and Services performed at Pacific Hospital: (a) the  
23 Potential Claim Payers would have subjected the claims to additional  
24 review, would not have paid the claims, and/or would have paid a  
25 lesser amount on the claims; and (b) patients would have more closely  
26 scrutinized a surgery or hospital service recommendation, would have  
27 sought second opinions from physicians who did not have a financial  
28 conflict of interest, would not have had the surgery or service

1 performed, and/or would have insisted on a different hospital  
2 facility.

3 26. From in or around 2008 to in or around April 2013, Pacific  
4 Hospital billed Potential Claim Payers at least approximately \$500  
5 million in claims for the Kickback Tainted Surgeries and Services.  
6 Between in or about 2008 to in or around April 2013, defendant GROSS  
7 performed and/or referred Kickback Tainted Surgeries and Services  
8 comprising at least approximately \$19 million of the total amount  
9 Pacific Hospital billed to Potential Claim Payers, and for which  
10 Pacific Hospital was paid more than approximately \$5.5 million.  
11 Drobot, Canedo, UCC-A, UCC-B, and other co-conspirators, through  
12 Pacific Hospital and Affiliated Entities, paid and caused to be paid  
13 to defendant GROSS at least approximately \$622,936 in connection with  
14 his Kickback Tainted Surgeries and Services.

15 E. OVERT ACTS

16 27. On or about the following dates, in furtherance of the  
17 conspiracy and to accomplish the objects of the conspiracy, Drobot,  
18 defendant GROSS, Canedo, UCC-A, UCC-B, UCC-C, and other co-  
19 conspirators known and unknown to the Grand Jury, committed,  
20 willfully caused others to commit, and aided and abetted the  
21 commission of the following overt acts, among others, within the  
22 Central District of California and elsewhere:

23 Overt Act No. 1: On an unknown date, Drobot executed a  
24 Medical Office Sublease agreement which purported to sublease an  
25 unidentified portion of defendant GROSS's medical office to PSPM in  
26 exchange for PSPM paying rent in the amount of \$15,000 per month.  
27 The sublease purported to be "made and entered into as of February 1,  
28

1 2008." The sublease also contained a handwritten notation "Dr signed  
2 copy to follow...2/22/08."

3 Overt Act No. 2: On or about March 25, 2008, Canedo emailed  
4 Drobot, UCC-F, and UCC-G, and copied UCC-C, with the subject line:  
5 "Sublease Agreement-Jeffrey Gross, M.D.", and wrote:

6 Here is the partially executed agreement between PSPM and Dr.  
7 Jeffrey Gross. We agreed that PSPM needs to pay this monthly  
8 check. And the agreement needs to describe the premises being  
9 subleased.... Also, Paul Randall said that [defendant GROSS]  
10 wanted the check payable to Oasis (?). So that also needs to be  
11 determined as to who is the real party to the agreement....

12 [UCC-C] will await the return of the current check that was  
13 issued February 21.

14 Attached to the email was a Medical Office Sublease.

15 Overt Act No. 3: On or about March 26, 2008, Pacific Hospital  
16 issued a check (#248888) for \$15,000 to Oasis Medical.

17 Overt Act No. 4: On or about April 15, 2008, PSPM issued a  
18 check (#15657) for \$15,000 to Oasis Medical, with a memo line  
19 "April08 Rent."

20 Overt Act No. 5: On or about April 23, 2008, defendant GROSS  
21 caused the PSPM check (#15657) identified in the preceding Overt Act  
22 to be deposited in Oasis Medical's Wells Fargo bank account ending in  
23 4910 (the "Oasis Medical 4910 WFB Acct").

24 Overt Act No. 6: On or about May 14, 2008, PSPM issued a  
25 check (#15781) for \$30,000 to Oasis Medical, with a memo line "March  
26 and May rent."



1        Overt Act No. 7:        On or about May 19, 2008, defendant GROSS  
2 caused the PSPM check (#15781) identified in the preceding Overt Act  
3 to be deposited in the Oasis Medical 4910 WFB Acct.

4        Overt Act No. 8:        On or about June 15, 2008, PSPM issued a  
5 check (#15951) for \$15,000 to Oasis Medical, with a memo line "June  
6 rent."

7        Overt Act No. 9:        On or about July 7, 2008, defendant GROSS  
8 caused the PSPM check (#15951) identified in the preceding Overt Act  
9 to be deposited in the Oasis Medical 4910 WFB Acct.

10       Overt Act No. 10:       On or about July 15, 2008, PSPM issued a  
11 check (#16049) for \$15,000 to Oasis Medical, with a memo line "July  
12 rent."

13       Overt Act No. 11:       On or about July 22, 2008, the PSPM check  
14 (#16049) identified in the preceding Overt Act was deposited in the  
15 Oasis Medical 4910 WFB Acct.

16       Overt Act No. 12:       On or about October 4, 2008, PSPM issued a  
17 check (#16446) for \$20,000 to Oasis Medical, with a memo line "Past  
18 due rent."

19       Overt Act No. 13:       On or about October 8, 2008, defendant GROSS  
20 caused the PSPM check (#16446) identified in the preceding Overt Act  
21 to be deposited in the Oasis Medical 4910 WFB Acct.

22       Overt Act No. 14:       On or about November 19, 2008, UCC-B emailed  
23 defendant GROSS an option agreement with a file title  
24 "grossagreement.doc," and wrote "Here is the agreement with the  
25 changes you requested."

26       Overt Act No. 15:       On or about November 19, 2008, defendant  
27 GROSS responded to the email identified in the preceding Overt Act:  
28

1 Do you want me to make the name corrections? We also need to  
2 remove the word "orthopedic". Lastly, the last page is not  
3 finished...I want to sign it and get it to you. Just let me  
4 know what to do.

5 Overt Act No. 16: On or about November 19, 2008, UCC-B  
6 responded to the email identified in the preceding Overt Act:

7 Not sure what we need to include on the last page. I will check  
8 with our attorney. Go ahead and make necessary changes and [I]  
9 will get back to you tomorrow on the other issue.

10 Overt Act No. 17: On or about November 19, 2008, defendant  
11 GROSS responded to the email identified in the preceding Overt Act,  
12 and wrote: "The last page lists that which you wish to option...We  
13 will need that for me to send the contract."

14 Overt Act No. 18: On or about November 24, 2008, UCC-B  
15 forwarded the email chain identified in the preceding four Overt Acts  
16 to UCC-G and wrote:

17 What should be listed as assets we are purchasing on this  
18 agreement? Should we list furniture and equipment and/or the  
19 accounts receivable...Please let me know what you think.

20 Overt Act No. 19: On or about November 24, 2008, UCC-G  
21 responded to UCC-B's email identified in the preceding Overt Act with  
22 the following:

23 Right now we are just doing an option. The sale price and terms  
24 will be worked out in an asset purchase agreement when the  
25 option is exercised. To answer your question, I don't know if  
26 AR [accounts receivables] is included, depends on the deal.  
27 Otherwise it is med records and the office and telephone  
28

1 numbers, goodwill, and miscell[aneous] office equip and  
2 furnishings, etc.

3 Overt Act No. 20: On or about November 24, 2008, UCC-B  
4 forwarded the email chain identified in the preceding Overt Act to  
5 defendant GROSS, and on or about November 29, 2008, defendant GROSS  
6 responded, in part, "Is [UCC-G] suggesting that the option agreement  
7 NOT define the assets up front?" UCC-B responded on or about  
8 December 1, 2008, in part, "I think that is what he is suggesting."

9 Overt Act No. 21: On or about December 2, 2008, defendant  
10 GROSS, in the same email chain described in the preceding Overt Act,  
11 stated, in part, "Hoping for monthly payment and some make up amount.  
12 I could really use it. Would like to finalize new contract to  
13 everyone's satisfaction."

14 Overt Act No. 22: On or about December 2, 2008, UCC-B  
15 responded to defendant GROSS's email identified in the preceding  
16 Overt Act and wrote:

17 Things are kind of tight @ hospital. Probably can do 15 or 20.  
18 What's going on with surgeries? Any scheduled for this one.

19 Overt Act No. 23: On or about December 2, 2008, defendant  
20 GROSS responded to the email identified in the preceding Overt Act,  
21 and wrote, "Yes, we have multiple big surgeries schedule[d] and  
22 pending authorization."

23 Overt Act No. 24: On or about December 2, 2008, defendant  
24 GROSS responded to the email chain identified in the preceding Overt  
25 Act, and wrote:

26 [I] had 6 surgeries in October and am using only Mike's approved  
27 hardware. However, like the hospital, I am having cash flow  
28 issues. I would appreciate some progress towards catching up.

1 We are actually going backwards and I am bringing Pacific every  
2 case that I can (or that you would want).

3 Overt Act No. 25: On or about December 3, 2008, UCC-B  
4 forwarded the email chain identified in the preceding Overt Act to  
5 UCC-F, copying Drobot, and writing:

6 Do you think we can release a check to Dr. Gross on Thursday?  
7 He will be performing at least two surgeries this month and is  
8 hoping we can make some progress in getting him caught up. I  
9 told him we might be able to do \$20,000 this month, but not much  
10 more. Please see what you can do.

11 Overt Act No. 26: On or about December 2, 2008, PSPM issued a  
12 check (#16656) for \$15,000 to Oasis Medical, with a memo line "Rent."

13 Overt Act No. 27: On or about December 9, 2008, the PSPM check  
14 (#16656) identified in the preceding Overt Act was deposited in the  
15 Oasis Medical 4910 WFB Acct.

16 Overt Act No. 28: On or about December 4, 2008, PSPM issued a  
17 check (#16662) for \$5,000 to Oasis Medical, with a memo line "Rent  
18 Additional."

19 Overt Act No. 29: On or about December 9, 2008, defendant  
20 GROSS caused the PSPM check (#16662) identified in the preceding  
21 Overt Act to be deposited in the Oasis Medical 4910 WFB Acct.

22 Overt Act No. 30: On an unknown date, Oasis Medical, through  
23 defendant GROSS, and PSPM, through UCC-E, entered into an Option  
24 Agreement purportedly "made and entered into effective as of January  
25 1, 2008" wherein PSPM contracted to pay Oasis Medical a total of  
26 \$900,000 in \$15,000 monthly installment payments purportedly  
27 commencing on November 1, 2008, and continuing to October 31, 2013,  
28 in order to have the exclusive option to purchase Oasis Medical's

1 accounts receivables. The agreement also states that the option  
2 payments would start on February 15, 2008.

3 Overt Act No. 31: On or about December 29, 2008, PSPM issued a  
4 check (#16745) for \$20,000 to Oasis Medical, with a memo line  
5 "Option."

6 Overt Act No. 32: On or about January 21, 2009, defendant  
7 GROSS caused the PSPM check (#16745) identified in the preceding  
8 Overt Act to be deposited in the Oasis Medical 4910 WFB Acct.

9 Overt Act No. 33: On or about February 10, 2009, PSPM issued a  
10 check (#16864) for \$20,000 to Oasis Medical, with a memo line  
11 "\$15,000 option and \$5,000 catch up."

12 Overt Act No. 34: On or about February 12, 2009, defendant  
13 GROSS caused the PSPM check (#16864) identified in the preceding  
14 Overt Act to be deposited in the Oasis Medical 4910 WFB Acct.

15 Overt Act No. 35: On or about April 20, 2009, defendant GROSS  
16 emailed UCC-B accounting for kickback payments he was owed for  
17 bringing surgeries to Pacific Hospital. In relevant part, defendant  
18 GROSS wrote:

19 Sheet 1 shows the payments expected and actually made, and the  
20 amount behind (100,000). Sheet 2 shows the checks (one I am not  
21 sure about, but gave you credit anyway). I have done all  
22 eligible cases that I can and except in 2 or 3 instances, have  
23 used only the "preferred" hardware. I would appreciate if we  
24 could catch up.

25 Overt Act No. 36: On or about April 29, 2009, UCC-B forwarded  
26 defendant GROSS's email identified in the preceding Overt Act to  
27 Drobot and UCC-A, copying UCC-F, and wrote:

1 Attached is a spreadsheet from Dr. Gross. He indicated that  
2 PSPM/PHLB is in arrears by \$100,000, which includes \$40,000 for  
3 2008 and \$60,000 for 2009...I have a meeting with him in Laguna  
4 Niguel at 3:00 PM today and I want to propose the following:  
5 We pay him \$10,000 over the next 4 months to make up for the  
6 back payments for 2008, starting with a payment of \$10,000 on  
7 May 15th and the 15th of the month for the following 3 months.  
8 We give him the 15% [collection] agreement effective January 1,  
9 2009 and we advance on surgeries performed \$5,000 with balance  
10 due at time of collections. He has performed 2 cervical fusions  
11 and 3 lumbar fusions since January 2009, for which we will issue  
12 a check for \$25,000 sometime next week. Please get back to me  
13 ASAP, so I can discuss with Dr. Gross this afternoon.

14 Overt Act No. 37: On or about May 5, 2009, PSPM issued a check  
15 (#17186) for \$25,000 to Oasis Medical, with a memo line "\$25,000.00  
16 Balance due."

17 Overt Act No. 38: On or about May 12, 2009, defendant GROSS  
18 caused the PSPM check (#17186) identified in the preceding Overt Act  
19 to be deposited in the Oasis Medical 4910 WFB Acct.

20 Overt Act No. 39: On or about May 27, 2009, PSPM issued a  
21 check (#17228) for \$10,000 to Oasis Medical, with a memo line "Option  
22 payment."

23 Overt Act No. 40: On or about June 8, 2009, defendant GROSS  
24 caused the PSPM check (#17228) identified in the preceding Overt Act  
25 to be deposited in the Oasis Medical 4910 WFB Acct.

26 Overt Act No. 41: On or about June 18, 2009, July 15, 2009,  
27 and August 1, 2009, PSPM issued checks (#17308, #17403, #17472) for  
28 \$10,000 each to Oasis Medical, with memo lines "Option payment,"

1 "Option payment," and "Option payment Last Installment,"  
2 respectively.

3 Overt Act No. 42: On or about June 30, 2009, July 28, 2009,  
4 and August 11, 2009, defendant GROSS caused the PSPM checks (#17308,  
5 #17403, #17472) identified in the preceding Overt Act to be deposited  
6 in the Oasis Medical 4910 WFB Acct.

7 Overt Act No. 43: On or about June 1, 2009, Oasis Medical,  
8 through defendant GROSS, entered into an Outsourced Collection  
9 Agreement with Pacific Hospital, through Drobot, purporting to be  
10 "effective January 1, 2009," wherein Oasis Medical agreed to assist  
11 Pacific Hospital in collecting certain of Pacific Hospital's personal  
12 injury and workers' compensation claims and liens that Pacific  
13 Hospital would purportedly refer to Oasis Medical to collect on  
14 behalf of the hospital. Under the agreement, Pacific Hospital agreed  
15 to pay Oasis Medical a \$5,000 advance at the time a claim was  
16 referred to Pacific Hospital and a total of 15% of the amount  
17 collected and received by Pacific Hospital on the referred claim.

18 Overt Act No. 44: On or about June 20, 2009, Oasis Medical,  
19 through defendant GROSS, executed Amendment No. 1 to the Outsourced  
20 Collection Agreement identified in the preceding Overt Act. The  
21 amendment modified the collection percentages owed to defendant GROSS  
22 as follows: 15% of the amount collected and received by Pacific  
23 Hospital on a referred claim for an inpatient spinal fusion; 10% of  
24 the amount collected and received by Pacific Hospital on a referred  
25 claim for an inpatient surgical case other than a spinal fusion; and  
26 10% of the amount collected and received by Pacific Hospital on a  
27 referred claim for an outpatient case.

1        Overt Act No. 45:    On or about August 24, 2009, under the guise  
2 of defendant GROSS's collection agreement, Pacific Hospital issued a  
3 check (#254666) for \$20,000 to Oasis Medical in connection with  
4 defendant GROSS performing the following identified surgeries and/or  
5 procedures on the specified patients at Pacific Hospital: "6/8/09  
6 [J.L.] L4-S1 // 6/22/09 [T.F.] C5-6 // 6/22/09 [G.M.] L5-S1 //  
7 [J.N.] -July 2009."

8        Overt Act No. 46:    On or about August 31, 2009, defendant GROSS  
9 caused the Pacific Hospital check (#254666) identified in the  
10 preceding Overt Act to be deposited in the Oasis Medical 4910 WFB  
11 Acct.

12        Overt Act No. 47:    On or about September 16, 2009, UCC-B  
13 emailed Canedo, and copied defendant GROSS and UCC-F, with the  
14 subject "Surgeries performed," and wrote, "Please add the following  
15 patients to Oasis Medical Provider, Inc. for collections: DOS-7-6-09  
16 [J.N.] - multi level cervical fusion[;] DOS-8-24-09- [N.S.] - lumbar  
17 fusion[.]"

18        Overt Act No. 48:    On or about September 16, 2009, defendant  
19 GROSS responded to the email identified in the preceding Overt Act,  
20 and wrote, "Thanks, Please provide numbers so I can provide invoice.  
21 Also please make checks payable to OASIS Medical Providers, Inc.  
22 (they have been coming to the wrong name)."

23        Overt Act No. 49:    On or about September 11, 2009, under the  
24 guise of defendant GROSS's collection agreement, Pacific Hospital  
25 issued a check (#254820) for \$5,000 to Oasis Medical in connection  
26 with defendant GROSS performing surgery on patient N.S.

27        Overt Act No. 50:    On or about September 24, 2009, defendant  
28 GROSS caused the Pacific Hospital check (#254820) identified in the



1 preceding Overt Act to be deposited in the Oasis Medical 4910 WFB  
2 Acct.

3 Overt Act No. 51: On or about September 17, 2009, Canedo  
4 emailed defendant GROSS, copying UCC-B and UCC-F, and wrote, in part:

5 Due to numerous additions or subtractions that have been made to  
6 the inventories, attached is a cumulative payment report through  
7 August 31, 2009. Please send invoices for PHLB to me and  
8 invoices for International Implants to [UCC-F]. . . .

9 Overt Act No. 52: On or about September 18, 2009, defendant  
10 GROSS responded to the email identified in the preceding Overt Act,  
11 and wrote:

12 Thanks, I will study the report. It would be a great help if  
13 you could tell me when there are collections and how much to  
14 invoice PHLB or [I2]. There are some outstanding invoices now  
15 for collections to both.

16 Overt Act No. 53: On or about October 8, 2009, I2 issued a  
17 check (#1168) for \$3,186.30 to Oasis Medical.

18 Overt Act No. 54: On or about December 9, 2009, Canedo emailed  
19 defendant GROSS requesting that he verify the inventory of "accounts  
20 assigned" to defendant GROSS. In response, defendant GROSS wrote:

21 Invoice for Pacific Hospital ([Patient N.S.]), excluding  
22 international implants collections (please provide data to me  
23 for invoicing). This invoice reflects amount already paid.

24 Overt Act No. 55: On or about December 10, 2009, Canedo  
25 emailed defendant GROSS, copying UCC-A, Drobot, and UCC-H, and  
26 provided a payment report for cases assigned to defendant GROSS with  
27 the following highlights:

1 Attached is the payment report of collections for Oasis Medical  
2 Group from January 1, 2009 to November 30, 2009. The total  
3 collections to date have been \$346,282.15. You are entitled to  
4 a commission of \$51,942.32. However, we have already paid  
5 \$56,019.30 therefore Oasis is in a deficit of \$4,076.98. I have  
6 updated your inventory to include the latest account you added.

7 Overt Act No. 56: On or about December 11, 2009, defendant  
8 GROSS replied to all on the email chain identified in the preceding  
9 Overt Act, and relayed his disagreement with how the payment was  
10 calculated. In the email, defendant GROSS wrote:

11 Honestly, the management of this is quite onerous on me. [UCC-  
12 B] used to handle this quite adeptly and simply provided me with  
13 the amounts. Perhaps I should meet with Mr. Drobot and make  
14 other arrangements. I have at least one case already scheduled  
15 for January, but worried about the management of our agreement.  
16 I know I am not your busiest surgeon, but with the continued  
17 drastic changes in work comp, it seems I have prepared well for  
18 the long winter in advance by focusing on the type of work that  
19 I do. In the coming months, that may be important for your  
20 facility.

21 Overt Act No. 57: On or about December 13, 2009, later in the  
22 same email chain identified in the preceding Overt Act, defendant  
23 GROSS replied to all and wrote that the upfront \$5,000 advance "was  
24 one of the key elements that lead [sic] to the agreement being  
25 consummated" and that UCC-B stated that the \$5,000 advance payment  
26 was guaranteed "even in cases that collect less than \$33,333 (i.e.  
27 commission would be ultimately less than \$5k)." Defendant GROSS  
28 ended the email with the following:

1 Please note that I am assisting in collections on these cases  
2 behind the scenes as part of our agreement. When PI cases  
3 settle, I make sure that the attorneys know that the hospital's  
4 involvement was crucial and that any request for reductions  
5 should be modest. This, of course, is non-disclosed.

6 Overt Act No. 58: On or about February 9, 2010, defendant  
7 GROSS and Canedo emailed each other discussing Pacific Hospital's  
8 payments to defendant GROSS through January 31, 2010. Canedo  
9 provided defendant GROSS with an excel file listing all payments, and  
10 defendant GROSS responded to Canedo, in part, "...I think using the  
11 excel spreadsheet you have sent makes the most sense. If you would  
12 just prepare that each month, I will invoice you based upon that."

13 Overt Act No. 59: On or about May 4, 2010, Canedo emailed  
14 defendant GROSS, with the subject "PHLB Inventory of Outsourced  
15 Collections," and requested defendant GROSS to verify his cases, to  
16 which defendant GROSS responded, "Looks like you collected on three  
17 cases in April," and identified three patients (J. L., G.M., and  
18 S.W.), a dollar amount for each (\$45,852.76, \$22,000, and \$10,978.69,  
19 respectively), and stated for each patient: "no advance since no  
20 hardware." Defendant GROSS then wrote, "15% of that total is  
21 therefore: \$11,824.72[.] Please make check to Oasis Medical  
22 Providers, Inc."

23 Overt Act No. 60: On or about August 6, 2010, UCC-G emailed  
24 Drobot and UCC-F, with the subject "Contract Surgeons," wherein UCC-G  
25 stated that he was "putting together a notebook with the key  
26 information for each contracted surgeon" and that the book "will be  
27 the basis for monthly reports on activity." The list of 25  
28 contracted surgeons included defendant GROSS. UCC-G then wrote,

1 "Some of these are management agreements which don't require a direct  
2 payment and others are options, research, or other professional  
3 service arrangements. I will start to prepare a page for each  
4 physician with the Contract Description, Payment and Payment status  
5 and affinity report in total and monthly. This will be a book that  
6 we can use to manage the surgery activity."

7 Overt Act No. 61: On or about August 1, 2011, defendant GROSS  
8 performed a spinal fusion surgery on patient K.L. at Pacific  
9 Hospital.

10 Overt Act No. 62: On or about August 24, 2011, Canedo emailed  
11 defendant GROSS, with the subject "Inventories," and stated "Please  
12 verify the completeness of the inventory. Have you had any accounts  
13 since April 4, 2011?"

14 Overt Act No. 63: On or about August 25, 2011, defendant GROSS  
15 replied to the email identified in the preceding Overt Act, and  
16 wrote, "Looks like you were paid on two cases," and thereafter  
17 identified two patients followed by monetary computations, concluding  
18 that the "total owed is \$2,500, for period ending 7/31/11."  
19 Defendant GROSS then wrote that one patient was missing from the  
20 inventory, and noted for that patient "no hardware, thus no upfront  
21 amount." Defendant GROSS then identified three patients to "add to  
22 the inventory"; for two patients, defendant GROSS stated "no  
23 hardware, thus no upfront amount," and for the third patient,  
24 defendant GROSS wrote "\$5,000 will be owed." Defendant GROSS  
25 concluded with: "There were a few other patients, but all from Las  
26 Vegas, and handled outside of our contract."

27 Overt Act No. 64: On or about October 17, 2011, defendant  
28 GROSS performed a spinal surgery on patient L.K. at Pacific Hospital.

1        Overt Act No. 65:    On or about August 1, 2011, defendant GROSS  
2 performed a cervical spinal fusion surgery on patient A.G. at Pacific  
3 Hospital.

4        Overt Act No. 66:    On or about December 29, 2011, Randall and  
5 defendant GROSS met and discussed defendant GROSS's arrangement with  
6 Pacific Hospital. In the context of Randall discussing an  
7 anticipated negative article by the Wall Street Journal about  
8 "Pacific Hospital and Tri-City and all the doctors and marketers,"  
9 Randall stated, "[Drobot] puts out deals that are stupid and he puts  
10 out these lease deals where he doesn't lease the space. He puts out  
11 -- like, he had one of those with you if you remember. He did way  
12 back when. He was gonna lease -- I remember 'cause, uh, the first  
13 deal he did with you before he converted it was the lease on your  
14 space down to your office in uh--." Defendant GROSS responded, "Did  
15 we actually do that deal then? ... I think -- immediately it was -- I  
16 don't think we'd actually consummated it. I think we did this  
17 option. He bought options...to buy my receivables." Later on in the  
18 same conversation, Randall proposed to defendant GROSS a potential  
19 competing arrangement with another hospital. After Randall and  
20 defendant GROSS discussed potential compensation figures for  
21 defendant GROSS's surgery referrals to the other hospital, defendant  
22 GROSS stated, "And we have -- we have it all in -- in writing -- ...  
23 you know, though this, uh collections assistance ... So if you wanna  
24 do it, I can show you the paper where we just change the names."  
25 Later in the same conversation, defendant GROSS stated that if  
26 Randall could do a deal for a \$5,000 up front payment and 20% of the  
27 total collection when the hospital received the payment (minus the  
28 \$5,000 up front advance), that that would be "sweeter" than the deal

1 that defendant GROSS then had with Pacific Hospital. Defendant GROSS  
2 then stated, "You give me some kind of -- every month they send me  
3 the accounting...Can you do that?"

4 Overt Act No. 67: On or about April 6, 2012, Canedo emailed  
5 defendant GROSS, with the subject "Inventories as of March 31, 2012,"  
6 and stated, "Please validate your inventories. I'm sure you'll have  
7 additions for February and March. I'll pay both of these months  
8 together."

9 Overt Act No. 68: On or about April 9, 2012, defendant GROSS  
10 responded to the email identified in the preceding Overt Act, and  
11 added to the subject line: "RE: Inventories as of March 31, 2012  
12 Balance for Feb and March = \$24,250," and identified various  
13 patients, procedure dates, whether I2 hardware was used, and payment  
14 calculations. Defendant GROSS ended the email with, "I think there  
15 are 5 or 6 cases planned. That is good news."

16 Overt Act No. 69: On or about May 17, 2012, defendant GROSS  
17 performed a spinal fusion surgery on patient A.S. at Pacific  
18 Hospital.

19 Overt Act No. 70: On or about May 19, 2012, defendant GROSS  
20 emailed Canedo, with the subject "April inventory - 2nd request," and  
21 wrote, "Please forward this to me for review/analysis." Canedo  
22 responded by providing the inventory, and Canedo and defendant GROSS  
23 subsequently discussed various patients and the payments owed to  
24 defendant GROSS.

25 Overt Act No. 71: On or about June 10, 2012, defendant GROSS  
26 emailed Canedo, with the subject: "Collection Fee-April 2012 for  
27 Oasis Medical Providers," and stated, "Please advise as to the status  
28 of April's payment and please forward May's numbers for analysis."

1 Canedo responded by providing the inventory, and Canedo and defendant  
2 GROSS subsequently discussed various patients and the payments owed  
3 to defendant GROSS.

4 Overt Act No. 72: On or about July 14, 2012, defendant GROSS  
5 emailed Canedo, with the subject: "Update," and wrote, "Please advise  
6 on the expected check for May's balances, and when I can expect your  
7 spreadsheets and reports to analyze June's numbers..."

8 Overt Act No. 73: On or about August 3, 2012, defendant GROSS  
9 and Randall met at defendant GROSS's office and continued discussing  
10 and comparing defendant GROSS's then-current deal with Pacific  
11 Hospital to Randall's proposal to take defendant GROSS's surgery  
12 referrals to another hospital.

13 Overt Act No. 74: On or about November 16, 2012, Randall and  
14 defendant GROSS met and discussed defendant GROSS's surgical practice  
15 at Pacific Hospital. Regarding his surgical practice, defendant  
16 GROSS stated that he took "anything worth doing" to Pacific Hospital,  
17 even though, in his opinion, "the nursing there sucks." During the  
18 conversation, defendant GROSS stated that the "key thing that's  
19 missing from [his] portfolio is some kind of surgery center."  
20 Defendant GROSS explained that he "usually" takes his outpatient  
21 surgeries "to Pacific because at least they help me with -- the way  
22 they help me."

23 Overt Act No. 75: On or about December 3, 2012, defendant  
24 GROSS performed a cervical spinal fusion surgery on patient J.P. at  
25 Pacific Hospital.

26 Overt Act No. 76: On or about December 10, 2012, defendant  
27 GROSS and Pacific Hospital and caused the personal injury law firm  
28 representing patient K.L. to pay Pacific Hospital \$80,000 in full

1 settlement of the lien filed in connection with the hospital facility  
2 fees associated with the spinal fusion surgery defendant GROSS  
3 performed on patient K.L. at Pacific Hospital on or about August 1,  
4 2011.

5 Overt Act No. 77: On or about December 11, 2012, under the  
6 guise of defendant GROSS's collection agreement, Pacific Hospital  
7 issued a check (#269017) for \$13,000 to Oasis Medical for "10/12  
8 FEES; [patient A.G.]; 10015843."

9 Overt Act No. 78: On or about December 20, 2012, defendant  
10 GROSS caused the Pacific Hospital check (#269017) identified in the  
11 preceding Overt Act to be deposited in the Oasis Medical 4910 WFB  
12 Acct.

13 Overt Act No. 79: On or about January 7, 2013, Canedo emailed  
14 defendant GROSS, with the subject: "Inventories as of December 31,  
15 2012," and stated, "Please validate your inventory as of December 31,  
16 2012." Canedo and defendant GROSS subsequently discussed various  
17 patients and the payments owed to defendant GROSS.

18 Overt Act No. 80: On or about February 11, 2013, defendant  
19 GROSS performed cervical spinal fusion surgeries on patients S.J. and  
20 D.T. at Pacific Hospital.

21 Overt Act No. 81: On or about February 21, 2013, defendant  
22 GROSS performed a cervical spinal fusion surgery on patient D.A. at  
23 Pacific Hospital.

24 Overt Act No. 82: On or about February 27, 2013, defendant  
25 GROSS emailed Canedo, with the subject "Oasis Medical Center  
26 Collections December 2012," and wrote, "Please advise as to when I  
27 will receive the contracted payment as noted below, and when you can  
28 send the January numbers for review."



1        Overt Act No. 83:    On or about February 28, 2013, under the  
2        guise of defendant GROSS's collection agreement, Pacific Hospital  
3        issued a check (#269990) for \$5,000 to Oasis Medical as an advance.

4        Overt Act No. 84:    On or about February 28, 2013, under the  
5        guise of defendant GROSS's collection agreement, Pacific Hospital  
6        issued a check (#269991) for \$10,310 to Oasis Medical for December  
7        2012 collections associated with defendant GROSS's surgeries.

8        Overt Act No. 85:    On or about February 28, 2013, defendant  
9        GROSS performed a spinal fusion surgery on patient J.R. at Pacific  
10       Hospital.

11       Overt Act No. 86:    On or about February 28, 2013, Canedo  
12       emailed defendant GROSS, with the subject: "Inventories as of January  
13       31, 2013," and stated, "Here are the inventories as of January 31,  
14       2013." In a subsequent email exchange, Canedo and defendant GROSS  
15       discussed various patients and the payments owed to defendant GROSS.

16       Overt Act No. 87:    On or about February 28, 2013, defendant  
17       GROSS emailed Drobot and Canedo, and wrote:

18       Thank-you for taking time to talk with me, today, Michael. I  
19       look forward to hearing the possibilities about being chief of  
20       the division of Neurological surgery for PHLB. Regarding my  
21       proposal to study a discounted early buy-out of the existing  
22       value of my collections agreement for the economic reasons  
23       discussed, I can provide the following data: (1) Total value of  
24       A/R on yet to be paid accounts as of 1/31/13 is: \$3,476,162[;]  
25       a. Old System = \$300,201[;] b. New system = \$3,175,961.

26       Defendant GROSS then wrote:

27       My proposal would be to calculate the historical collections  
28       rate of these receivables (the vast majority being P.I.) and

1 then figure out the actual future value of the receivables.

2 Then, we could calculate my value by taking 15% and subtract out  
3 the up front money laid out. I would be open to having Mr.  
4 Canedo assist us in calculating that number and then seeing if  
5 we can negotiate a discounted early buy out in a win-win  
6 fashion, and then start over with a new receivables structure...

7 Overt Act No. 88: On or about March 14, 2013, Pacific Hospital  
8 mailed a claim for the hospital-billing component of patient J.R.'s  
9 medical care to his personal injury attorney in Tustin, California.

10 Overt Act No. 89: On or about May 14, 2013, under the guise of  
11 defendant GROSS's collection agreement, Pacific Hospital issued a  
12 check (#270775) for \$12,500 to Oasis Medical.

13 Overt Act No. 90: On or about May 30, 2013, defendant GROSS  
14 caused the Pacific Hospital check (#270775) identified in the  
15 preceding Overt Act to be deposited in the Oasis Medical 4910 WFB  
16 Acct.

COUNTS TWO THROUGH SIX

[18 U.S.C. §§ 1341, 1346, 2(b)]

28. Paragraphs 1 through 22 and 24 through 27 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. THE SCHEME TO DEFRAUD

29. Beginning on a date unknown, but from no later than in or around February 2008, and continuing through at least in or around June 2013, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, Drobot, defendant GROSS, UCC-A, UCC-B, Canedo, and others known and unknown to the Grand Jury at various times, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud patients of their right to honest services of their physicians' performance of duties as treating physicians and medical providers by soliciting, offering, accepting, and paying bribes and kickbacks to induce the referral of Kickback Tainted Surgeries and Services to Pacific Hospital.

B. OPERATION OF THE SCHEME TO DEFRAUD

30. The fraudulent scheme operated, in substance, as set forth in paragraphs 24 through 26 of this Indictment.

C. USE OF THE MAILS

31. On or about the following dates, within the Central District of California, and elsewhere, Drobot, defendant GROSS, Canedo, UCC-A, UCC-B, and other co-schemers, for the purpose of executing the above-described scheme to defraud, willfully caused the following items to be placed in a post office and authorized depository for mail matter to be delivered by the Postal Service and private and commercial interstate carrier, as set forth below:

COUNT	APPROXIMATE DATE	MAILING
TWO	2/19/2013	Claim for reimbursement from Pacific Hospital to a personal injury attorney in San Diego, California, seeking \$150,969.90 for the hospital-billing component of medical care provided to patient S.J., based on a cervical spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about February 11, 2013.
THREE	2/25/2013	Claim for reimbursement from Pacific Hospital to a personal injury attorney in Las Vegas, Nevada, seeking \$185,838.98 for the hospital-billing component of medical care provided to patient D.T., based on a cervical spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about February 11, 2013.
FOUR	2/25/2013	Claim for reimbursement from Pacific Hospital to personal injury attorney in San Diego, California, seeking \$333,078.90 for the hospital-billing component of medical care provided to patient D.W., based on a spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about January 14, 2013.
FIVE	3/14/2013	Claim for reimbursement from Pacific Hospital to a personal injury attorney in San Diego, California, seeking \$122,047.10 for the hospital-billing component of medical care provided to patient D.A., based on a cervical spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about February 21, 2013.

COUNT	APPROXIMATE DATE	MAILING
SIX	3/14/2013	Claim for reimbursement from Pacific Hospital to a personal injury attorney in Tustin, California, seeking \$64,585 for the hospital-billing component of medical care provided to patient J.R., based on a spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about February 28, 2013.

COUNTS SEVEN THROUGH NINE

[18 U.S.C. §§ 1343, 1346, 2(b)]

32. Paragraphs 1 through 22 and 24 through 27 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

A. THE SCHEME TO DEFRAUD

33. Beginning on a date unknown, but from no later than February 2008, and continuing through at least in or around June 2013, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, Drobot, defendant GROSS, Canedo, UCC-A, UCC-B, and others known and unknown to the Grand Jury at various times, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud patients of their right to honest services of their physicians' performance of duties as treating physicians and medical providers by soliciting, offering, accepting, and paying bribes and kickbacks to induce the referral of Kickback Tainted Surgeries and Services to Pacific Hospital.

B. OPERATION OF THE SCHEME TO DEFRAUD

34. The fraudulent scheme operated, in substance, as set forth in paragraphs 24 through 26 of this Indictment.

C. USE OF INTERSTATE WIRES

35. On or about the following dates, within the Central District of California, and elsewhere, Drobot, defendant GROSS, Canedo, UCC-A, UCC-B, and other co-schemers, for the purpose of executing the above-described scheme to defraud, transmitted and caused the transmission of items by means of wire communication in interstate commerce, as set forth below:

COUNT	APPROXIMATE DATE	INTERSTATE WIRE TRANSMISSION
SEVEN	3/11/2013	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of \$5,000 from Pacific Hospital's East West Bank Acct ending in 0545 (the "0545 East West Bank Account") in California to the Oasis Medical 4910 WFB Acct in California.
EIGHT	3/11/2013	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of \$10,310 from the 0545 East West Bank Account in California to the Oasis Medical 4910 WFB Acct in California.
NINE	5/29/2013	Interstate wire through Federal Reserve Bank servers in Dallas, Texas, effectuating a transfer of \$12,500 from the 0545 East West Bank Account in California to the Oasis Medical 4910 WFB Acct in California.

COUNTS TEN THROUGH FOURTEEN

[18 U.S.C. § 1952(a)(3); 18 U.S.C. § 2]

36. Paragraphs 1 through 22 and 24 through 27, 31 and 35 of this Indictment, including all subparagraphs, are re-alleged and incorporated by reference as if fully set forth herein.

37. On or about the dates set forth below, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, Drobot, defendant GROSS, Canedo, UCC-A, UCC-B, and others, used, aided and abetted the use of, and willfully caused the use of, the mail and facilities in interstate commerce, with the intent to otherwise promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, namely, kickbacks and bribes in violation of California Business & Professions Code Section 650 and California Insurance Code Section 750, and thereafter performed, attempted to perform, and aided and abetted and willfully caused the performance of an act to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of such unlawful activity as follows:

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COUNT	DATE	USE OF MAIL OR FACILITY IN INTERSTATE COMMERCE	ACTS PERFORMED THEREAFTER
TEN	1/23/2013	Deposit/clearing of \$50,000 check (#1908) from personal injury attorney representing patient L.K. to Pacific Hospital in satisfaction of lien for hospital-billing component of medical care provided to patient L.K. based on spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about October 17, 2011.	On or about May 14, 2013, Pacific Hospital paid defendant GROSS a bribe and kickback by issuing a check (#270775) for \$12,500, which, in part, was paid for defendant GROSS's referral of patient L.K. to Pacific Hospital for surgery.
ELEVEN	2/19/2013	Mailing of claim for reimbursement from Pacific Hospital to a personal injury attorney in San Diego, California, seeking \$150,969.90 for hospital-billing component of medical care provided to patient S.J., based on a cervical spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about February 11, 2013.	On or about May 21, 2014, Pacific Hospital was paid \$35,000 for the claim submitted on patient S.J.
TWELVE	2/25/2013	Mailing of claim for reimbursement from Pacific Hospital to a personal injury attorney in Las Vegas, Nevada, seeking \$185,838.98 for hospital-billing component of medical care provided to patient D.T., based on a cervical spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about February 11, 2013.	On or about April 24, 2013, Pacific Hospital was paid \$46,459.74 for the claim submitted on patient D.T.

COUNT	DATE	USE OF MAIL OR FACILITY IN INTERSTATE COMMERCE	ACTS PERFORMED THEREAFTER
THIRTEEN	2/25/2013	Mailing of claim for reimbursement from Pacific Hospital to a personal injury attorney, seeking \$333,078.90 for hospital-billing component of medical care provided to patient D.W., based on a spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about January 14, 2013.	On or about May 14, 2013, Pacific Hospital paid defendant GROSS a bribe and kickback by issuing a check (#270775) for \$12,500, which, in part, was paid for defendant GROSS's referral of patient D.W. to Pacific Hospital for surgery.
FOURTEEN	3/14/2013	Mailing of claim for reimbursement from Pacific Hospital to a personal injury attorney in San Diego, California, seeking \$122,047.10 for hospital-billing component of medical care provided to patient D.A., based on a cervical spinal fusion surgery defendant GROSS performed at Pacific Hospital on or about February 21, 2013.	On or about July 11, 2016, the personal injury law firm representing patient D.A. issued a \$25,000 check to Pacific Hospital.

FORFEITURE ALLEGATION

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

38. Pursuant to Rule 32.2(a), Fed. R. Crim. P., notice is hereby given to defendant GROSS ("defendant") that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of defendant's conviction under any of Counts One through Fourteen of this Indictment.

39. Defendant shall forfeit to the United States the following property:

a. all right, title, and interest in any and all property, real or personal, that constitutes or is derived, directly or indirectly, from the proceeds traceable to the commission of any offense set forth in any of Counts One through Fourteen of this Indictment; and

b. a sum of money equal to the total value of the property described in subparagraph a.

40. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), defendant shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as a result of any act or omission of defendant, the property described in the preceding paragraph, or any portion thereof (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the

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jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

A TRUE BILL

151  
Foreperson

SANDRA R. BROWN  
Attorney for the United States,  
Acting Under Authority Conferred  
by 28 U.S.C. § 515



Scott Garinger  
Deputy Chief, Criminal Division For:

LAWRENCE S. MIDDLETON  
Assistant United States Attorney  
Chief, Criminal Division

DENNISE D. WILLETT  
Assistant United States Attorney  
Chief, Santa Ana Branch Office

JOSEPH T. MCNALLY  
Assistant United States Attorney  
Deputy Chief, Santa Ana Branch Office

GEORGE S. CARDONA  
Assistant United States Attorney  
Chief, Major Frauds Section

ASHWIN JANAKIRAM  
Assistant United States Attorney  
Major Frauds Section

SCOTT D. TENLEY  
Assistant United States Attorney  
Santa Ana Branch Office

BRITTNEY M. HARRIS  
Assistant United States Attorney  
General Crimes Section

I hereby attest and certify on 6/17/21  
that the foregoing document is a full, true  
and correct copy of the original on file in  
my office, and in my legal custody.

CLERK U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

E. Vargas

DEPUTY CLERK



1225

## **Attachment B**

**United States District Court  
Central District of California**

UNITED STATES OF AMERICA vs.

Docket No. SACR 18-00014-JLSDefendant Jeffrey David GrossSocial Security No. 1 0 1 1akas: None

(Last 4 digits)

**JUDGMENT AND PROBATION/COMMITMENT ORDER**

In the presence of the attorney for the government, the defendant appeared in person on this date.

MONTH	DAY	YEAR
MAY	21	2021

**COUNSEL**Hamilton Arendsen (Rtd); Mark Mermelstein (Rtd)

(Name of Counsel)

**PLEA**
☒ **GUILTY**, and the court being satisfied that there is a factual basis for the plea. ☐ **NOLO**  
**CONTENDERE** ☐ **NOT**  
**GUILTY**
**FINDING**There being a finding/verdict of **GUILTY**, defendant has been convicted as charged of the offense(s) of:

Conspiracy in violation of 18 U.S.C. § 371 as charged in Count 1 of the Indictment.

**JUDGMENT  
AND PROB/  
COMM  
ORDER**

The Court asked whether there was any reason why judgment should not be pronounced. Because no sufficient cause to the contrary was shown, or appeared to the Court, the Court adjudged the defendant guilty as charged and convicted and ordered that: Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant is hereby committed to the custody of the Bureau of Prisons to be imprisoned for a term of 15 MONTHS:

is ordered that the defendant shall pay to the United States a special assessment of \$100, which is due immediately. Any unpaid balance shall be due during the period of imprisonment, at the rate of not less than \$25 per quarter, and pursuant to the Bureau of Prisons' Inmate Financial Responsibility Program.

Pursuant to Guideline §5E1.2(a), all fines are waived as the Court finds that the defendant has established that he is unable to pay and is not likely to become able to pay any fine.

The Court has entered a money judgment of forfeiture against the defendant, which is hereby incorporated by reference into this judgment and is final.

It is ordered that the defendant shall pay restitution pursuant to 18 U.S.C. § 3663A. Pursuant to 18 U.S.C. § 3664(d)(5), a final determination of victim losses will be ordered at the deferred restitution hearing after such information becomes available. An amended judgment will be entered after such determination. **The Court sets a Restitution Hearing on Thursday, July 15, 2021 at 1:00 p.m.** The parties shall file simultaneous briefs regarding resititution no later than July 1, 2021. Briefs shall not exceed 25 pages.

The Court recommends that the Bureau of Prisons conduct a mental health evaluation of the defendant and provide all necessary treatment.

Pursuant to the Sentencing Reform Act of 1984, it is the judgment of the Court that the defendant, Jeffrey David Gross, is hereby committed on Count 1 of the 14-Count Indictment to the custody of the Bureau of Prisons for a term of 15 MONTHS.

on release from imprisonment, the defendant shall be placed on supervised release for a term of three years under the following terms and conditions:

USA vs. Jeffrey David Gross

Docket No.: SACR 18-00014-JLS

1. The defendant shall comply with the rules and regulations of the United States Probation & Pretrial Services Office and Second Amended General Order 20-04;
2. During the period of community supervision, the defendant shall pay the special assessment in accordance with this judgment's orders pertaining to such payment;
3. The defendant shall cooperate in the collection of a DNA sample from the defendant;
4. The defendant shall participate in mental health treatment, which may include evaluation and counseling, until discharged from the program by the treatment provider, with the approval of the Probation Officer;
5. As directed by the Probation Officer, the defendant shall pay all or part of the costs of the Court-ordered treatment to the aftercare contractors during the period of community supervision. The defendant shall provide payment and proof of payment as directed by the Probation Officer. If the defendant has no ability to pay, no payment shall be required;
6. The defendant shall report this conviction to the Medical Board of California, and to any other state in which the defendant has been licensed as a physician, and thereafter comply with any orders, including any employment or business restrictions. Further, the defendant shall show proof to the Probation Officer of compliance with this order; and
7. As directed by the Probation Officer, the defendant shall provide to the Probation Officer: (1) a signed release authorizing credit report inquiries; (2) federal and state income tax returns and a signed release authorizing their disclosure and (3) an accurate financial statement, with supporting documentation as to all assets, income, expenses, and liabilities of the defendant.

The drug testing condition mandated by statute is suspended based on the Court's determination that the defendant poses a low risk of future substance abuse.

The Court authorizes the Probation Office to disclose the Presentence Report and any previous mental health evaluations or reports to the mental health treatment provider. The treatment provider may provide information, excluding the Presentence Report, to State or local social service agencies for the purpose of the client's rehabilitation.

It is further ordered that the defendant surrender herself to the institution designated by the Bureau of Prisons on or before 12 noon on **August 16, 2021**. In the absence of such designation, the defendant shall report on or before the same date and time to the United States Marshal located at United States Court House, 411 W. Fourth Street, Santa Ana, CA 92701.

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USA vs. Jeffrey David Gross

Docket No.: SACR 18-00014-JLS

The Court strongly recommends that the defendant be housed at FCI Lompoc in Southern California to facilitate visitation with family, friends, and loved ones.

On government's motion, all remaining counts dismissed.

Bond is exonerated upon surrender.

The Court advised the defendant of his right to appeal.

In addition to the special conditions of supervision imposed above, it is hereby ordered that the Standard Conditions of Probation and Supervised Release within this judgment be imposed. The Court may change the conditions of supervision, reduce or extend the period of supervision, and at any time during the supervision period or within the maximum period permitted by law, may issue a warrant and revoke supervision for a violation occurring during the supervision period.

May 24, 2021

Date



U. S. District Judge Josephine L. Staton

It is ordered that the Clerk deliver a copy of this Judgment and Probation/Commitment Order to the U.S. Marshal or other qualified officer.

Clerk, U.S. District Court

May 24, 2021

Filed Date

By M. Kunig

Deputy Clerk

USA vs. Jeffrey David Gross

Docket No.: SACR 18-00014-JLS

The defendant must comply with the standard conditions that have been adopted by this court (set forth below).

### STANDARD CONDITIONS OF PROBATION AND SUPERVISED RELEASE

While the defendant is on probation or supervised release pursuant to this judgment:

1. The defendant must not commit another federal, state, or local crime;
2. The defendant must report to the probation office in the federal judicial district of residence within 72 hours of imposition of a sentence of probation or release from imprisonment, unless otherwise directed by the probation officer;
3. The defendant must report to the probation office as instructed by the court or probation officer;
4. The defendant must not knowingly leave the judicial district without first receiving the permission of the court or probation officer;
5. The defendant must answer truthfully the inquiries of the probation officer, unless legitimately asserting his or her Fifth Amendment right against self-incrimination as to new criminal conduct;
6. The defendant must reside at a location approved by the probation officer and must notify the probation officer at least 10 days before any anticipated change or within 72 hours of an unanticipated change in residence or persons living in defendant's residence;
7. The defendant must permit the probation officer to contact him or her at any time at home or elsewhere and must permit confiscation of any contraband prohibited by law or the terms of supervision and observed in plain view by the probation officer;
8. The defendant must work at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons and must notify the probation officer at least ten days before any change in employment or within 72 hours of an unanticipated change;
9. The defendant must not knowingly associate with any persons engaged in criminal activity and must not knowingly associate with any person convicted of a felony unless granted permission to do so by the probation officer. This condition will not apply to intimate family members, unless the court has completed an individualized review and has determined that the restriction is necessary for protection of the community or rehabilitation;
10. The defendant must refrain from excessive use of alcohol and must not purchase, possess, use, distribute, or administer any narcotic or other controlled substance, or any paraphernalia related to such substances, except as prescribed by a physician;
11. The defendant must notify the probation officer within 72 hours of being arrested or questioned by a law enforcement officer;
12. For felony cases, the defendant must not possess a firearm, ammunition, destructive device, or any other dangerous weapon;
13. The defendant must not act or enter into any agreement with a law enforcement agency to act as an informant or source without the permission of the court;
14. As directed by the probation officer, the defendant must notify specific persons and organizations of specific risks posed by the defendant to those persons and organizations and must permit the probation officer to confirm the defendant's compliance with such requirement and to make such notifications;
15. The defendant must follow the instructions of the probation officer to implement the orders of the court, afford adequate deterrence from criminal conduct, protect the public from further crimes of the defendant; and provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner.

USA vs. Jeffrey David GrossDocket No.: SACR 18-00014-JLS☒ The defendant must also comply with the following special conditions (set forth below).**STATUTORY PROVISIONS PERTAINING TO PAYMENT AND COLLECTION OF FINANCIAL SANCTIONS**

The defendant must pay interest on a fine or restitution of more than \$2,500, unless the court waives interest or unless the fine or restitution is paid in full before the fifteenth (15th) day after the date of the judgment under 18 U.S.C. § 3612(f)(1). Payments may be subject to penalties for default and delinquency under 18 U.S.C. § 3612(g). Interest and penalties pertaining to restitution, however, are not applicable for offenses completed before April 24, 1996.

If all or any portion of a fine or restitution ordered remains unpaid after the termination of supervision, the defendant must pay the balance as directed by the United States Attorney's Office. 18 U.S.C. § 3613.

The defendant must notify the United States Attorney within thirty (30) days of any change in the defendant's mailing address or residence address until all fines, restitution, costs, and special assessments are paid in full. 18 U.S.C. § 3612(b)(1)(F).

The defendant must notify the Court (through the Probation Office) and the United States Attorney of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay a fine or restitution, as required by 18 U.S.C. § 3664(k). The Court may also accept such notification from the government or the victim, and may, on its own motion or that of a party or the victim, adjust the manner of payment of a fine or restitution under 18 U.S.C. § 3664(k). See also 18 U.S.C. § 3572(d)(3) and for probation 18 U.S.C. § 3563(a)(7).

Payments will be applied in the following order:

1. Special assessments under 18 U.S.C. § 3013;
2. Restitution, in this sequence (under 18 U.S.C. § 3664(i), all non-federal victims must be paid before the United States is paid):
  - Non-federal victims (individual and corporate),
  - Providers of compensation to non-federal victims,
  - The United States as victim;
3. Fine;
4. Community restitution, under 18 U.S.C. § 3663(c); and
5. Other penalties and costs.

**CONDITIONS OF PROBATION AND SUPERVISED RELEASE PERTAINING TO FINANCIAL SANCTIONS**

As directed by the Probation Officer, the defendant must provide to the Probation Officer: (1) a signed release authorizing credit report inquiries; (2) federal and state income tax returns or a signed release authorizing their disclosure and (3) an accurate financial statement, with supporting documentation as to all assets, income and expenses of the defendant. In addition, the defendant must not apply for any loan or open any line of credit without prior approval of the Probation Officer.

When supervision begins, and at any time thereafter upon request of the Probation Officer, the defendant must produce to the Probation and Pretrial Services Office records of all bank or investments accounts to which the defendant has access, including any business or trust accounts. Thereafter, for the term of supervision, the defendant must notify and receive approval of the Probation Office in advance of opening a new account or modifying or closing an existing one, including adding or deleting signatories; changing the account number or name, address, or other identifying information affiliated with the account; or any other modification. If the Probation Office approves the new account, modification or closing, the defendant must give the Probation Officer all related account records within 10 days of opening, modifying or closing the account. The defendant must not direct or ask anyone else to open or maintain any account on the defendant's behalf.

The defendant must not transfer, sell, give away, or otherwise convey any asset with a fair market value in excess of \$500 without approval of the Probation Officer until all financial obligations imposed by the Court have been satisfied in full.

These conditions are in addition to any other conditions imposed by this judgment.

USA vs. Jeffrey David Gross

Docket No.: SACR 18-00014-JLS

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**RETURN**

I have executed the within Judgment and Commitment as follows:

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_  
Defendant noted on appeal on \_\_\_\_\_  
Defendant released on \_\_\_\_\_  
Mandate issued on \_\_\_\_\_  
Defendant's appeal determined on \_\_\_\_\_  
Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_  
at \_\_\_\_\_  
the institution designated by the Bureau of Prisons, with a certified copy of the within Judgment and Commitment.

United States Marshal

By \_\_\_\_\_  
Deputy Marshal

Date \_\_\_\_\_

USA vs. Jeffrey David Gross

Docket No.: SACR 18-00014-JLS

**CERTIFICATE**

I hereby attest and certify this date that the foregoing document is a full, true and correct copy of the original on file in my office, and in my legal custody.

Clerk, U.S. District Court

By \_\_\_\_\_

\_\_\_\_\_  
Filed Date

\_\_\_\_\_  
Deputy Clerk

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**FOR U.S. PROBATION OFFICE USE ONLY**

Upon a finding of violation of probation or supervised release, I understand that the court may (1) revoke supervision, (2) extend the term of supervision, and/or (3) modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions and have been provided a copy of them.

(Signed) \_\_\_\_\_

Defendant

\_\_\_\_\_  
Date

\_\_\_\_\_  
U. S. Probation Officer/Designated Witness

\_\_\_\_\_  
Date

I hereby attest and certify on 6/17/21  
that the foregoing document is a full, true  
and correct copy of the original on file in  
my office, and in my legal custody.

CLERK U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

E. Vargas

DEPUTY CLERK



1225